GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2094
ANSWERED ON:06.05.2016
Import of Defence Equipment
Manjhi Shri Hari

Will the Minister of DEFENCE be pleased to state:

(a) the details of steps taken by the Government for minimizing dependency on import of defence equipment;

(b) whether the Government has made any assessment of the quantum of reduction in the import of defence equipment after the implementation of the 'Make in India' programme; and

(c) if so, the details thereof?

Answer

MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR)

(a) to (c): A number of measures have already been taken to achieve Self Sufficiency in defence production by harnessing the capabilities of the public and private sector. These measures include according priority and preference to procurement from Indian vendors, liberalization of the licensing regime and providing access to modern and state-of-the-art technology to Indian industry by raising the cap on FDI in the defence sector. The new Defence Procurement Procedure 2016 (DPP 2016) has been promulgated for Capital procurements and has come into effect from 1st April 2016. DPP 2016 gives strong support to "Make in India" by according the highest priority to Buy Indian (Designed, Developed and Manufactured) (IDDM). It also focuses on enhancement and rationalization of indigenous content and includes provisions for involving private industry as production agencies and technology transfer partners. The 'Make' Procedure has been simplified with provisions for earmarking projects not exceeding development cost of Rs.10 crores (government funded) and Rs. 3 crores (industry funded) for MSMEs.

The expenditure in respect of orders placed on foreign vendors for capital acquisitions during each of the last three years is as under:-
Year Expenditure
(Rs. in crore)

2013-14 35082.10
2014-15 24992.36
2015-16 22422.12

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